

Memorandum

TO: Transportation and
Environment Committee

FROM: William F. Sherry, A.A.E.,
Katy Allen

SUBJECT: Update the Committee on the
Implementation of the Airport
Living Wage Ordinance Including
Information on the Employee
Training Program for Mineta San
José International Airport

DATE: March 2, 2009

Approved

Date

2/16/09

COUNCIL DISTRICT: City-Wide
SNI AREA: N/A

BACKGROUND

At its meeting on October 6, 2008, the Transportation and Environment Committee reviewed the draft Living Wage Ordinance for all businesses operating at Mineta San José International Airport (SJC). After discussion, the Committee recommended Council approval of the following recommendations based on a memo presented by Chair Williams:

1. Implement the Living Wage Ordinance Airport-wide effective January 1, 2009;
2. Direct staff to amend the monitoring and enforcement language in the draft ordinance. The amended language should require that the City apply the same proactive enforcement procedures currently used in the enforcement of existing living wage policy;
3. Direct staff to present for Council action the draft Living Wage Ordinance on October 21;
4. Direct the City Attorney to work with legal counsel from Southwest Airlines and South Bay Labor Council to determine the feasibility of exempting from the minimum compensation section of the Living Wage Ordinance those employees of commercial airlines for whom the aggregate of wages, corporate payments for health insurance and corporate payments into a pension fund exceeds the City's living wage level; and
5. Direct staff to return to the Transportation and Environment Committee in March 2009 with an implementation plan for the training program at the Airport.

The Living Wage Ordinance was adopted by Council in October 2008. This memo provides an update on the implementation of the living wage ordinance that went into effect on January 1, 2009, and responds to Item 5 of the Committee's recommendations by providing an outline for a proposed Training Standards Program for employees of airlines, concessionaires and other businesses operating at the Airport for review and approval by the Committee.

DISCUSSION

The Living Wage Ordinance went into effect on January 1, 2009. In December, the Department of Public Works Office of Equality Assurance mailed letters to 46 current SJC agreement holders notifying them that the SJC Living Wage Ordinance would become effective in January. The notification included a copy of the Ordinance and an Airport Living Wage Ordinance FAQ & Definitions document for easy reference. OEA currently is drafting rules and regulations for the Ordinance, and when they are completed, OEA will hold a public hearing and invite public comment prior to their adoption. The first reports from each Airport business subject to the Ordinance are due to OEA on Monday, April 6.

As requested by the Transportation and Environment Committee, the recommended SJC Training Standards Program draws from a similar training function of the San Francisco International Airport (SFO) Quality Service Program (QSP). QSP focuses on training for airline and contractor employees involved in services that directly impact airport safety and/or security, and SFO implemented the program in October 2000.

Covered Employees

The goal of the SJC Training Standards Program is to ensure that covered businesses and their employees have appropriate training without becoming a burden to employers, and result in an airport that is even safer and more customer-friendly. SJC has approximately 5000 badge holders, the majority of whom will be covered under the Training Standards Program. The program is intended to:

- improve customer service;
- enhance effective response to emergencies;
- support better working relations among organizations operating at the airport;
- provide more career growth opportunities for employees with better skills; and
- help to reduce turnover.

Training standards will apply to employees of any business at the Airport subject to the City's minimum compensation requirements under the new ordinance and related policies, including airlines, concessions, and third-party vendors and who are in positions related to safety and security. In addition, staff recommends extending the Airport's training standards into the areas of customer service and service to our guests with disabilities. Consistent with the exclusions from the minimum compensation requirements, the Training Standards Program will not apply to the following businesses operating at the Airport:

- Construction contractors;
- Ground transportation services including taxi companies, door-to-door shuttle companies, limousine companies, or hotel and courtesy shuttle operators;
- Federal Aviation Administration, Transportation Security Administration, and other federal, state or local agencies operating at SJC.

Program Development

The initial training program development activities, as recommended by the T&E Committee at the October 2008 meeting, included the following staff actions:

- Assess the job categories that are related to safety and security to guide staff in making a recommendation about which specific positions to include in a training program.
- Determine appropriate training needs and requirements of employees working at the Airport covered under the existing Living Wage Policy and the new ordinance.
- Conduct a gap analysis by comparing identified needs to training currently provided by employers.
- Develop standards by job category and develop programs to enhance current training activities.
- Determine the responsible entity for conducting the training, and the appropriate training delivery methodology.

Staff invited all Airport tenants to participate in a survey that requested information on their training programs and their needs for additional training in specific functional areas. Staff identified the training needs in these four basic areas: Security, Safety, ADA Awareness, and Customer Service. Further standards and requirements were developed dependent upon employees' levels of Airport security classification, job function, direct passenger or customer contact, and finally location. The draft training standards are outlined in Attachment A.

Training Delivery Methodology

Specific training modules will be developed and provided to all covered employers to use for their employee training, which could be conducted by the employers themselves, Airport staff, or third-party providers. The Airport will conduct "Train the Trainer" programs as needed, and training modules also will be available online as much as practical. If a covered employer's internal training program already provides required content, the employer can provide documentation that will be accepted in lieu of the Training Standard Program modules established by the Airport.

Reporting Procedures and Enforcement

Staff recommends that each covered employer shall deliver a statement certifying that it is in compliance with the Training Standards Program to the City by June 30 each year. Covered employers must maintain training records to document that their employees are in compliance with the training requirements. Training records must include the employee's name, job function, date of hire, and the date of each training class required by the Training Standards Program. The City reserves the right to review and audit such compliance at any time. If a covered employee is found to be non-compliant, notice will be given to the covered employer and a reasonable cure time to address the noted deficiency will be provided. If non-compliance

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is not corrected within the specified period, the City may exercise all remedies available to it including but not limited to fines and the termination of agreements or permits with the Airport.

Implementation

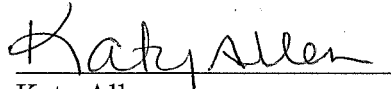
Staff recommends that that the Training Standards Program be implemented through an amendment to the Airport Living Wage Ordinance adopted by City Council, and it would apply to all businesses subject to the minimum compensation requirements under the City's Living Wage Ordinance and policies.

COORDINATION

This memo was coordinated with the City Manager's Office, the City Manager's Budget Office and the City Attorney's Office.



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